

**BEFORE THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA**

DOCKET NO. 2020-125-E

Application of Dominion Energy South Carolina, Inc. for Adjustment of Rates and Charges (See Commission Order No. 2020-13)) <u>UNITED STATES DEPARTMENT</u>) <u>OF DEFENSE AND ALL OTHER</u>) <u>FEDERAL EXECUTIVE</u>) <u>AGENCIES' THIRD SET OF</u>) <u>WRITTEN INTERROGATORIES</u>) <u>AND REQUEST FOR</u>) <u>PRODUCTION OF DOCUMENTS</u>) <u>AND THINGS TO DOMINION</u>) <u>ENERGY SOUTH CAROLINA, INC.</u>
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Pursuant to the Public Service Commission's Regulation 103-833, the United States Department of Defense and all other Federal Executive Agencies ("DoD/FEA"), by and through its legal counsel, hereby submits its Third Set of Written Interrogatories and Request for Production of Documents and Things to Dominion Energy South Carolina, Inc.

INSTRUCTIONS

1. Responses to these request should be provided within 20 days of this request in writing and under oath.
2. These Requests are continuing in nature and require supplemental answers within a reasonable time if additional documents or information would be responsive to these Requests.

3. If any of the responses do not contain complete information, so state this and identify each person who may have the additional information.

4. Due to mandated teleworking due to COVID-19, please deliver responses electronically to emilcy.w.medlyn.civ@mail.mil.

DEFINITIONS

1. “Company” is defined as Dominion Energy South Carolina, Inc.

2. “DESC” is defined as Dominion Energy South Carolina, Inc.

3. “DE” is defined as Dominion Energy

4. “Document” and “workpaper” shall have the broadest possible meaning and include, without limitation, the original and any non-identical copy (whether different from the original because of handwritten notes, underlining, or other marks,) regardless of origin or location, of written, typed, printed, or graphic matter (however produced or reproduced), and electrical or magnetic sound or video recordings, or transcriptions thereof, file or photographic prints, and all other writings or recordings of every kind and description, including, but not limited to, papers, letters, correspondence, agreements, contracts, telegrams, notes, notations, computer printouts, digital or e-mail communications, text messaging, data sheets, data processing cards or tapes, memoranda (including memoranda or memorials of conversations or meetings), intra-office communications, notebooks, reports, articles, books, pamphlets, periodicals, tables, charts, graphs, blueprints, drawings, studies, worksheets, estimating sheets, bids, bills, time cards, indices, lists, surveys, diaries, diary entries, facsimiles, specimens, models, schedules, accounts, invoices, purchase orders, estimates, ledgers, audits, and indices, and drafts, revisions or amendments of any of the above, and generally, any kind of tangible, permanent records that are now, or

formerly were, in your possession, custody or control, or that were known by you to exist, and that can be located or discovered by reasonably diligent efforts.

5. “Identify” or “identity,” when referring to a natural person, shall mean to provide without limitation his or her full name, present or last-known address, telephone number, present or last-known business affiliation and location, and job titles and responsibilities during the applicable time covered by any response referring to such person.

6. “Identify” or “identity,” when referring to a document or writing, shall mean to give sufficient characterization of the document or writing so as to have identified it with reasonable particularity and shall include, without limitation, the following information with respect to such document or writing:

- a. The author and the sender of the document or writing;
- b. The date appearing on the document or writing, and if it has no date, the answer shall so state but shall give the date or approximate date the document or writing was prepared;
- c. The general nature or description of the document;
- d. The name of the person or persons, if any, to whom such document or writing was addressed and the names of other persons to whom the document or copies thereof were given or sent, if any;
- e. The name and address of the person having present possession, custody, or control of the document or writing.

DOCUMENT AND INFORMATION REQUESTS

DOD/FEA-DESC No. 3-1 Post-test year adjustments: Please identify each item in the adjusted revenue requirement that was measured on December 31, 2019 and was not updated or measured beyond that date. Please provide a reference to the each related work paper.

DOD/FEA-DESC No. 3-2 Post-test year adjustments: Please identify each item in the adjusted revenue requirement that was updated March 31, 2020 and provide a reference to the related work paper.

DOD/FEA-DESC No. 3-3 Post-test year adjustments: Please identify each item in the adjusted revenue requirement that was estimated past March 31, 2020 and provide a reference to the related work paper.

DOD/FEA-DESC No. 3-4 Incentive compensation: Please provide copies of all long-term incentive compensation plan documents, including all equity based compensation, with expenses included in the revenue requirement.

DOD/FEA-DESC No. 3-5 Incentive compensation: For each long-term incentive plan, including equity based compensation, with expenses included in the revenue requirement, please identify the number of employees and amounts covered by the plan for DESC and for each affiliate or operating unit with payroll costs allocated or assigned to South Carolina jurisdictional operations.

DOD/FEA-DESC No. 3-6 Incentive compensation: Please provide the dollar value of each long-term incentive award or equity-based compensation included in the revenue requirement, separately identifying amounts for each affiliate or operating group with incentive costs allocated to South Carolina.

DOD/FEA-DESC No. 3-7 Incentive compensation: Please provide the target levels for each long-term incentive award, including equity based compensation, for 2018 and for 2019, and the related jurisdictional amounts, separately identifying amounts for each affiliate or operating group with incentive costs allocated to South Carolina.

DOD/FEA-DESC No. 3-8 Incentive compensation: Please provide copies of all short-term incentive plan documents whose expenses are included in the revenue requirement.

DOD/FEA-DESC No. 3-9 Incentive compensation: For each short-term incentive plan included in the revenue requirement, please identify the number of employees and

amounts covered by the plan for DESC and for each affiliate or operating unit with payroll costs allocated or assigned to South Carolina jurisdictional operations.

DOD/FEA-DESC No. 3-10 Incentive compensation: Please provide the total dollar amount for the target levels of short-term incentives for 2018 and 2019, and the related jurisdictional amounts, separately identifying amounts for each affiliate or operating group with incentive costs allocated to South Carolina.

DOD/FEA-DESC No. 3-11 Incentive compensation: Please provide the dollar value of each short-term incentive award included in the revenue requirement, separately identifying amounts for each affiliate or operating group with incentive costs allocated to South Carolina.

DOD/FEA-DESC No. 3-12 Incentive compensation: Please provide the budgeted amount of each short-term incentive award for 2018, 2019 and 2020, and the related jurisdictional amount, separately identifying amounts for each affiliate or operating group with incentive costs allocated to South Carolina.

DOD/FEA-DESC No. 3-13 Incentive compensation: Please provide the jurisdictional amount of each short-term incentive award for 2018 and 2019 included in O&M expenses, separately identifying amounts for each affiliate or operating group with incentive costs allocated to South Carolina, identifying amounts awarded and allocated based on company earnings, control of capital or expense costs, customer satisfaction, safety, and/or other identified goals.

DOD/FEA-DESC No. 3-14 Payroll: Please provide the payroll expense percentages for the test year and each of the three years prior to the test year for DESC and for each affiliated company with payroll included in the revenue requirement.

DOD/FEA-DESC No. 3-15 Payroll: Please provide the payroll by pay period for the test year for each employee group with a separate payroll annualization calculation in the Company's exhibits, and showing for each pay period the number of employees, the amount of base pay, the amount of overtime pay, the overtime hours, the amount of incentives paid, and the amount of other pay. Please provide this information separately for DESC and for each affiliate or working group with costs allocated to DESC. Please provide this response in Excel compatible format with all formulas fully functional and intact.

DOD/FEA-DESC No. 3-16 Payroll: Please provide the payroll by pay period for each pay period subsequent to the test year through the latest available date for each employee group with a separate payroll annualization calculation in the Company's exhibits, and showing for each pay period the number of employees, the amount of base pay, the amount of overtime pay, the overtime hours, the amount of incentives paid, and the amount of other

pay. Please provide this information separately for DESC and for each affiliate of DESC. Please provide this response in Excel compatible format with all formulas fully functional and intact.

DOD/FEA-DESC No. 3-17 Payroll: Please provide the pro forma payroll for each employee group with a separate payroll annualization calculation in the Company's exhibits, and showing for each payroll group the number of employees, the amount of base pay, the amount of overtime pay, the overtime hours, the amount of incentives paid, and the amount of other pay. Please provide this information separately for DESC and for each affiliate or work group with costs allocated to DESC. Please provide this response in Excel compatible format with all formulas fully functional and intact.

DOD/FEA-DESC No. 3-18 Payroll: Please provide the payroll for the test year and each of the three years preceding the test year, showing for average number of employees, the amount of base pay, the amount of overtime pay, the overtime hours, the amount of incentives paid, and the amount of other pay. Please provide this information separately for DESC and for each affiliate or work group with costs allocated to DESC. Please provide this response in Excel compatible format with all formulas fully functional and intact.

DOD/FEA-DESC No. 3-19 Payroll: Please provide the Company's policy regarding pay increases, and explain if the Company grants general pay increases, if the general pay increases are granted on the same date for all qualifying employees, an explanation of the alternative dates if that is used instead of a uniform increase date, if the individual increases are based on merit, and the different methods used to determine the amount pay increases for each payroll group (contract, management's decision, etc.).

DOD/FEA-DESC No. 3-20 Payroll: If pay increases are granted on a uniform date for groups of employees, please provide the dates each general pay increase was granted during the test year, identify the applicable payroll groups for each pay increase, and for each identified payroll group provide the number of employees and base pay by payroll period in the test year and for each pay period following the test year through the latest available date.

DOD/FEA-DESC No. 3-21 Payroll: If pay increases are granted on a uniform date for groups of employees, please provide the dates each general pay increase was granted in each of the three years preceding the test year, and for each applicable payroll group provide the base pay in the twelve months preceding and following each pay increase.

DOD/FEA-DESC No. 3-22 Payroll: Please provide a narrative description of any and all programs that the Company or its parent company has instituted which resulted in a decrease to the Company's number of employees since the beginning of the test year.

DOD/FEA-DESC No. 3-23 Payroll: Please provide a narrative description of any and all programs that the Company or its parent company plans to institute which could result in a decrease to the Company's number of employees after the end of the test year.

DOD/FEA-DESC No. 3-24 Payroll: Please quantify the savings which have been achieved or that are expected to be achieved from programs to reduce the number of employees of the Company or its parent company.

DOD/FEA-DESC No. 3-25 Retirement plans: Please provide a narrative describing any changes the Company plans to make to any of its retirement plans or post-retirement benefits within the two years after the end of the test year.

DOD/FEA-DESC No. 3-26 Retirement plans: Please quantify the savings which have been achieved or that are expected to be achieved from changes to Company's retirement plans or post-retirement benefits.

DOD/FEA-DESC No. 3-27 Retirement plans: Please provide copies of the actuary reports supporting the test year level of pension costs for each retirement plan or post-retirement benefit.

DOD/FEA-DESC No. 3-28 Retirement plans: Please provide the amounts included in test year operating expenses for each retirement plan and post-retirement benefit.

DOD/FEA-DESC No. 3-29 Retirement plans: Please provide the amounts included in pro forma operating expenses for each retirement plan and post-retirement benefit.

DOD/FEA-DESC No. 3-30 Retirement plans: Please provide a copy of the full document(s) provided by the Company's actuary supporting the level of pension costs and post-retirement benefits included in the revenue requirement.

DOD/FEA-DESC No. 3-31 Retirement plans: Please provide copies of the actuary reports for the 2019 and 2020 level of pension costs for each retirement plan and post-retirement benefits.

DOD/FEA-DESC No. 3-32 Retirement plans: Please identify each non-qualified retirement plan and provide the amount of each included in the revenue requirement separately for DESC and each affiliate or work group with costs allocated to DESC.

DOD/FEA-DESC No. 3-33 Compensation: Please provide the amounts of compensation that is not deductible for income tax purposes that is included in the revenue requirement, separately identifying amount included for DESC and amounts assigned or allocated to DESC, and showing for each the amounts by each type of compensation, such as salary, STI, LTI, pensions, benefits, etc.

DOD/FEA-DESC No. 3-34 Regulatory Assets and Liabilities: For each regulatory asset and liability, provide an explanation of the item, the reason for including it in rate base, and any related statutes, orders, legal precedent or other available documentary support for including the item in rate base.

DOD/FEA-DESC No. 3-35 Regulatory Assets and Liabilities: For each regulatory asset and liability, provide an analysis of the item showing by month the related revenue or expense, increases and decreases to the account balance with basic descriptive information (i.e. "Storm Damage," Insurance Reimbursements," "Amortization"), and the account balances. This analysis should begin with the later of the origination of the item or the last jurisdictional filing which included the item, and the analysis should continue through latest available date. Please provide the response in Excel compatible format with fully functional formulas.

DOD/FEA-DESC No. 3-36 Regulatory Assets and Liabilities: Please provide the balances of each regulatory asset and liability for each month beginning one month prior to the test year and continuing through the latest available date.

DOD/FEA-DESC No. 3-37 Outside Services Expense: Please provide an analysis identifying each vendor with costs exceeding \$100,000 in the outside services expense account in the test year. For each vendor, provide the service provided by the vendor, the amount included in test year expenses, and any adjustments related to the test year level of expenses related to the vendor, and the amounts paid to the vendor in each of the two years prior to the test year.

DOD/FEA-DESC No. 3-38 Injuries and Damages Expense: Please provide an analysis of the reserve account for Injuries and Damages Expense for each of the three years prior to the test year and for the test year showing the beginning balance, the accruals increasing the reserve account, claims charged to the reserve account, adjusting entries, and the year ending balance for the reserve account.

DOD/FEA-DESC No. 3-39 FIN 48: Please identify and describe FIN 48 amounts on the Company's books at December 31, 2017, provide the adjustments to those FIN 48 amounts, and identify the amounts included in adjusted rate base.

DOD/FEA-DESC No. 3-40 Plant Additions: Please provide the capital budgets for plant additions for the years 2015, 2016, 2017, 2018 and 2019.

DOD/FEA-DESC No. 3-41 Plant Additions: Please provide the actual plant additions for 2015, 2016, 2017, 2018 and 2019.

DOD/FEA-DESC No. 3-42 Plant Retirements: Please provide the capital budgets for plant retirements for the years 2015, 2016, 2017, 2018, and 2020.

DOD/FEA-DESC No. 3-43 Plant Retirements: Please provide the actual plant retirements for the years 2015, 2016, 2017, 2018 and 2020.

DOD/FEA-DESC No. 3-44 Accumulated Deferred Income Tax (“ADIT”): Please provide an analysis of accumulated deferred income taxes at December 31, 2020 showing for each ADIT item, a) the FERC account number, b) the dollar value of the book/tax basis difference, c) the effective income tax rate, d) the product of multiplying the book/tax basis difference by the effective tax rate, e) the amount of the recorded ADIT for the item, and f) the difference between the calculated balance (d) and the recorded amount (e). Please provide the response to this question in Excel compatible format with fully functional formulas.

DOD/FEA-DESC No. 3-45 Accumulated Deferred Income Tax (“ADIT”): Please provide an analysis of pro forma accumulated deferred income taxes showing for each ADIT item the balance on December 31, 2019, and each adjustment to arrive at the balance March 31, 2020. Please provide the response to this question in Excel compatible format with fully functional formulas.

DOD/FEA-DESC No. 3-46 Accumulated Deferred Income Tax (“ADIT”): Please provide an analysis of pro forma accumulated deferred income taxes showing for each ADIT item the balance on March 31, 2020, each adjustment to arrive at the amount included in the revenue requirement, and the balance included in the revenue requirement. Please provide the response to this question in Excel compatible format with fully functional formulas.

DOD/FEA-DESC No. 3-47 Accumulated Deferred Income Tax (“ADIT”): Please provide an analysis of pro forma accumulated deferred income taxes showing for each ADIT component (for example: depreciation expense, capitalization, pension expense, non-qualified pension expense, etc.), references to specific balance sheet components (plant in service, cash working capital, etc.) and to revenue or expense components. Please provide the response to this question in Excel compatible format with fully functional formulas.

DOD/FEA-DESC No. 3-48 Income tax: Please provide a detailed explanation of each ADIT component excluded from the pro forma rate base and explain why each item is not related to the provision of regulated utility service.

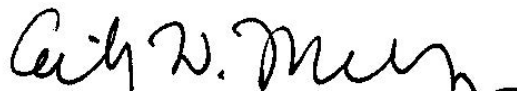
DOD/FEA-DESC No. 3-49 Income tax: Please provide an analysis showing the impact on accumulated deferred income taxes of each of the Company’s proposed adjustments to plant in service. Please provide an explanation for each proposed plant adjustment that does not have an impact on accumulated deferred income taxes and explain which plant additions do not qualify for the special depreciation allowance and why. Please provide the response in Excel compatible format with fully functional formulas.

DOD/FEA-DESC No. 3-50 Income tax: Please identify any ADIT in rate base associated with non-qualified retirement plans.

DOD/FEA-DESC No. 3-51 Vegetation management: Please provide the amounts expensed for vegetation management for each year 2015 through 2019.

DOD/FEA-DESC No. 3-52 Storm damage: Please provide the amounts expensed for storm damage for each year 2015 through 2019, separately identifying internal and external costs.

Respectfully submitted,

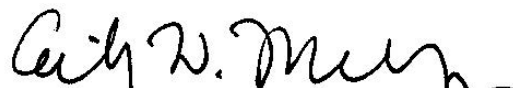


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October 8, 2020

CERTIFICATE OF SERVICE

I, Emily W. Medlyn, hereby certify that the foregoing document was served on all persons at the addresses listed in the Official Service List for Docket 2020-125-E on October 8, 2020.

A handwritten signature in black ink, appearing to read "Emily W. Medlyn", written over a horizontal line.

Emily W. Medlyn